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1 UNITED STATES PATENT AND TRADEMARK OFFICE
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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
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8 *Ex parte* STEVEN W. LUNDBERG
9

10 Appeal 2009-007188
11 Application 09/240,456
12 Technology Center 3600
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16 Decided: September 23, 2009
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19 Before ANTON W. FETTING, JOSEPH A. FISCHETTI, and BIBHU R.
20 MOHANTY, *Administrative Patent Judges*.
21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL
23

STATEMENT OF THE CASE

Steven W. Lundberg (Appellant) seeks review under 35 U.S.C. § 134 (2002) of a final rejection of claims 1-16, the only claims pending in the application on appeal.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION¹

We REVERSE.

THE INVENTION

The Appellant invented a computerized method and system for the payment of patent and trademark fees (Specification 1:11-15).

An understanding of the invention can be derived from a reading of exemplary claims 1 and 15, which are reproduced below [bracketed matter and some paragraphing added].

1. A computer-implemented method for managing patent and trademark fees comprising:

¹ Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed August 3, 2007) and the Examiner's Answer ("Ans.," mailed November 14, 2007), and Final Rejection ("Final Rej.," mailed January 26, 2006).

[1] inputting identification information for a patent or trademark matter of a client of a law firm and a requested fee associated with the matter for payment to an agency as data representing the identification information into a computer system;

[2] deducting a charge for the requested fee against a client account maintained at least in part by an organization separate from the law firm for the client, the client account initially funded by the client such that the client account has a positive balance;

[3] the organization generating a fee invoice to the law firm for the requested fee and transmitting the fee invoice to an accounting computer system used by the law firm;

[4] generating a client invoice from the accounting computer system including a charge to the client for payment of the requested fee, wherein the payment of the requested fee is used to replenish the client account maintained by the organization, wherein the client invoice corresponds to the fee invoice to the law firm such that payment by the client to the law firm for the client invoice provides funds to replenish the client account; and

[5] replenishing the client account with the funds collected from payment of the client invoice for the requested fee.

15. The method of claim 1, further comprising:

[1] transmitting electronically data representing first information regarding the charge for the requested fee from the computer system to a fee computer system maintained by the organization;

[2] inputting second information regarding the charge received from an external source as data representing the second information into the fee computer system; and

[3] reconciling electronically the data representing the first information regarding the charge with the data representing the second information regarding the charge at the fee computer system.

THE REJECTIONS

The Examiner relies upon the following prior art:

Brown	WO 96/10235	Sep. 7, 1995
Egendorf	US 5,794,221	Aug. 11, 1998
Remington et al.	US 6,070,150	May 30, 2000

Claims 1-16 stand rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

Claims 1-16 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter the Appellant regards as the invention.

Claims 1-14 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Remington and Brown.

Claims 15-16 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Remington, Brown, and Egendorf.

ARGUMENTS

Claims 1-16 rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement

The Appellant argues these claims as a group.

Accordingly, we select claim 1 as representative of the group. 37 C.F.R. § 41.37(c)(1)(vii) (2008).

1 The Examiner found that the Specification discusses three computer
2 systems (firm computer system, fee computer system, and accounting
3 computer system) involved in the printing of a check, whereas the claims are
4 in disagreement (Ans. 3).

5 The Appellant contends that, pages 7-8, 11-24, 42-43, 46-47, and 62 of
6 the Specification and the originally filed claims 1-9 and 15-16 support the
7 currently pending claims such that a person with ordinary skill in the art
8 would have recognized that the Appellant had possession of the claimed
9 invention (App. Br. 9-15).

10
11 *Claims 1-16 rejected under 35 U.S.C. § 112, second paragraph, as being*
12 *indefinite for failing to particularly point out and distinctly claim the subject*
13 *matter the Appellant regards as the invention*

14 The Appellant argues these claims as a group.

15 Accordingly, we select claim 1 as representative of the group.

16 The Examiner found that it is unclear as to why the client account is
17 being replenished and why the bill is being paid twice, as described in the
18 introductory portion (Ans. 4).

19 The Appellant contends that the introductory portion explains how the
20 system works and notes that the claims may include less particularity as to
21 certain details that are not essential to the generalized system and method
22 described in the Specification (App. Br. 15).

*Claims 1-14 rejected under 35 U.S.C. § 103(a) as unpatentable over
Remington and Brown*

The Appellant argues these claims as a group.

Accordingly, we select claim 1 as representative of the group.

The Examiner found that Remington describes all of the limitations of claim 1, except for limitation [4] (Ans. 4-5). The Examiner found that Brown describes limitation [4] (Ans. 5). The Examiner took Official Notice of the fact that it was old and well-known in the art of billing paying and fee collection to replenish an account upon payment in order to maintain a positive balance (Ans. 6). The Examiner further found that a person with ordinary skill in the art would have recognized the benefit of transacting with the Patent and Trademark office by implementing a feature to generate an invoice to the client for the amount owed for fees paid for by the funds (Ans. 5-6). The Examiner found that a person with ordinary skill in the art would have found it obvious to combine Remington and Brown (Ans. 6).

The Appellant contends that (1) Remington and Brown fail to describe identifying a particular matter of a client of a firm or any system that describes in which a regular client of an organization identifies a particular transaction by inputting matter identification, as required by limitation [1] of claim 1 (App. Br. 15), (2) Remington and Brown fail to describe an account maintained by any other organization analogous to the client account maintained separate from the firm in which deposits are made or that is funded to have a positive balance (App. Br. 16), (3) Remington and Brown fail to describe generating an invoice for services, since neither the services nor account are present and further fail to describe calculating a bill payable

1 to the account associated with the client in such a way as the account
2 maintains a positive balance (App. Br. 16), and (4) there is no motivation to
3 combine the reference because the problems to be solved by the claimed
4 invention are not found in the references and the Examiner is using
5 impermissible hindsight (App. Br. 16-17).

6
7 *Claims 15-16 rejected under 35 U.S.C. § 103(a) as unpatentable over*
8 *Remington, Brown, and Egendorf*

9 The Appellant argues these claims as a group.

10 Accordingly, we select claim 15 as representative of the group.

11 The Examiner found that Remington and Brown fail to describe the
12 additional limitations of claim 15 (Ans. 10). The Examiner found that
13 Egendorf describes all of the additional limitations of claim 15 (Ans. 10-11).
14 The Examiner further found that a person with ordinary skill in the art would
15 have recognized the benefit of facilitating the transfer of information and
16 notice of charges by transmitting charge information to the necessary
17 systems and reconciling the charges (Ans. 10-11). The Examiner found that
18 a person with ordinary skill in the art would have found it obvious to
19 combine Remington, Brown, and Egendorf (Ans. 11).

20 The Appellant contends that Egendorf fails to cure the deficiencies of
21 Remington and Brown with respect to claim 1 (App. Br. 17).

22 ISSUES

23 The pertinent issues to this appeal are:

- 1 • Whether the Appellant has sustained the burden of showing that the
2 Examiner erred in rejecting claims 1-16 under 35 U.S.C. § 112, first
3 paragraph, as failing to comply with the written description
4 requirement.
 - 5 ○ This pertinent issue turns on whether the Specification
6 describes the claimed invention such that a person of ordinary
7 skill in the art would have known the Appellant was in
8 possession of the invention.
- 9 • Whether the Appellant has sustained the burden of showing that the
10 Examiner erred in rejecting claims 1-16 under 35 U.S.C. § 112,
11 second paragraph, as being indefinite for failing to particularly point
12 out and distinctly claim the subject matter the Appellant regards as the
13 invention.
 - 14 ○ This pertinent issue turns on whether a person with ordinary
15 skill in the art would have understood what the Appellant is
16 claiming as the invention.
- 17 • Whether the Appellant has sustained the burden of showing that the
18 Examiner erred in rejecting claims 1-14 under 35 U.S.C. § 103(a) as
19 unpatentable over Remington and Brown.
 - 20 ○ This pertinent issue turns on whether Remington and Brown
21 describe an account that is managed by an organization, which
22 is independent of the law firm.
- 23 • Whether the Appellant has sustained the burden of showing that the
24 Examiner erred in rejecting claims 15-16 under 35 U.S.C. § 103(a) as
25 unpatentable over Remington, Brown, and Egendorf.

- This pertinent issue turns on Egendorf curies the deficiencies of Remington and Brown discussed *supra*.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to Appellant's Disclosure

01. A recirculating retainer feature is described in the Specification (Specification 42:4). An account is maintained by an organization separate from the firm and the account itself is for the client (Specification 42:14-16). A charge, payable against the maintained account, is issued for a matter of a client for payment to an agency (Specification 42:11-16). The account, initially funded by the client, is replenished when the client submits payments for a client invoice for the amount charged against the account (Specification 42:20-24 and 43:1-6).

Facts Related to the Prior Art

Remington

02. Remington is directed to electronic bill presentment and payment remittance systems (Remington 1:5-6).
03. The system allows for a biller to create a bill and payment remittance information in any desired format the biller chooses (Remington 5:46-49). The biller submits the bill electronically to a consumer and the bill is presented to the consumer using a user

1 interface (Remington 5:49-52). The consumer is in direct control
2 of the amount to be paid, the payment date, and the account to be
3 debited for payment (Remington 5:66-67 and 6:1-2). Payment
4 instructions authorized by the consumer are transmitted over the
5 Internet back to the biller or an intermediary service to initiate
6 payment of the bill (Remington 6:14-17).

7 *Brown*

8 04. Brown is directed to an automated accounting system for an
9 entity in which a plurality of data inputs are made to a file
10 established for the entity (Brown 1:2-8).

11 05. The system includes a master ledger and subsidiary ledgers for
12 all of the entities with which a first entity will enter into financial
13 transactions (Brown 5:14-17). Personal and business code
14 numbers for transaction recordings are assigned (Brown 7:5-7).
15 Individual job accounting may be automatically facilitated by an
16 alphanumeric identifier (Brown 7:9-11). The automatic codes are
17 entered into systems where the subsidiary ledgers are maintained
18 and the codes are used to identify methods for fund transfers and
19 accounting (Brown 7:15-20). Balances are added to personal
20 company payables and receivable lists when they are not paid in a
21 timely manner (Brown 7:23-25).

22 *Egendorf*

23 06. Egendorf is directed to a method of billing for commercial
24 transactions over the internet (Egendorf 1:4-5).

07. Customers exchange information with vendors in order to complete a transaction (Egendorf 5:18-21). The exchanged information includes customer identifying information, product or service information, transaction amount, delivery information, and order identification information (Egendorf 5:22-27). The transaction information is obtained by the provider (Egendorf 5:30-31). The provider verifies that the transaction is approved by the customer, vendor, and third party credit provider (if necessary) by sending verifying information to the parties (Egendorf 5:35-39). The customer's account is billed by the provider after the item is delivered to the customer (Egendorf 5:42-44).

Facts Related To The Level Of Skill In The Art

08. Neither the Examiner nor the Appellant has addressed the level of ordinary skill in the pertinent arts of electronic financial transactions. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)).

Facts Related To Secondary Considerations

09. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Written Description

The first paragraph of 35 U.S.C. 112 requires that the specification shall contain a written description of the invention. This requirement is separate and distinct from the enablement requirement. *See, e.g., Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1560 (Fed. Cir. 1991).

The “written description” requirement implements the principle that a patent must describe the technology that is sought to be patented; the requirement serves both to satisfy the inventor's obligation to disclose the technologic knowledge upon which the patent is based, and to demonstrate that the patentee was in possession of the invention that is claimed.

Capon v. Eshhar, 418 F.3d 1349, 1357 (Fed. Cir. 2005).

One shows that one is “in possession” of *the invention* by describing *the invention*, with all its claimed limitations, not that which makes it obvious. [*Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991)] (“[T]he applicant must also convey to those skilled in the art that, as of the filing date sought, he or she was in possession *of the invention*. The invention is, for purposes of the ‘written description’ inquiry, *whatever is now claimed*.”) (emphasis in original). One does that by such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention. Although the exact terms need not be used *in haec verba*, see *Eiselstein v. Frank*, 52 F.3d 1035, 1038 [. . .] (Fed.Cir.1995) (“[T]he prior application need not describe the claimed subject matter in exactly the same terms as used in the claims ”), the specification must contain an equivalent description of the claimed subject matter.

Lockwood v. Am. Airlines, Inc., 107 F.3d 1565, 1572 (Fed. Cir. 1997)

It is the disclosures of the applications that count. Entitlement to a filing date does not extend to subject matter which is not disclosed, but would be obvious over what is expressly

disclosed. It extends only to that which is disclosed. While the meaning of terms, phrases, or diagrams in a disclosure is to be explained or interpreted from the vantage point of one skilled in the art, all the limitations must appear in the specification. The question is not whether a claimed invention is an obvious variant of that which is disclosed in the specification. Rather, [an] application itself must describe an invention, and do so in sufficient detail that one skilled in the art can clearly conclude that the inventor invented the claimed invention as of the filing date sought.

id at 1571-72.

Indefiniteness

The test for definiteness under 35 U.S.C. § 112, second paragraph, is whether “those skilled in the art would understand what is claimed when the claim is read in light of the specification.” *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986)(citations omitted).

Obviousness

A claimed invention is unpatentable if, “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 399 and 406 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: “[1)] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and

the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved.” *Graham*, 383 U.S. at 17. *See also KSR*, 550 U.S. at 406. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* at 416.

ANALYSIS

Claims 1-16 rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement

The Appellant contends that pages 7-8, 11-24, 42-43, 46-47, and 62 of the Specification and the originally filed claims 1-9 and 15-16 support the currently pending claims such that a person with ordinary skill in the art would have recognized that the Appellant had possession of the claimed invention (App. Br. 9-15). The Examiner responds that a person with ordinary skill in the art would not have recognized that the claimed invention is directed towards a recirculating retainer because the Appellant’s Specification describes three computer systems and further describes the printing of a check on a printer (Ans. 12-13).

We agree with the Appellant. The Specification describes that an account is maintained by an organization on behalf of a client and charges are deducted from that account for payment to an agency for fees associated with a matter of the client (FF 01). The Specification further describes that a client invoice is generated and sent to the client for payment and the managed account is replenished when payment is received from the client (FF 01). The Specification describes several embodiments of the claimed invention and the recirculating retainer feature is one such embodiment

described therein. As such, the Specification describes the claimed invention such that a person with ordinary skill in the art would have recognized that the Appellant was in possession of the claimed invention.

Claims 1-16 rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter the Appellant regards as the invention

The Appellant contends that the introductory portion explains how the system works and notes that the claims may include less particularity as to certain details that are not essential to the generalized system and method described in the Specification (App. Br. 15). The Examiner responds that limitations from the Specification are not read into the claims (Ans. 13).

We agree with the Appellant. The appropriate test for indefiniteness is whether one of ordinary skill in the art would understand what is being *claimed* in light of the Specification. As such, the *claims* should be analyzed to determine whether a person with ordinary skill in the art would understand what is being claimed. The Examiner has failed to point to specific limitations or language in the claims that render the claims indefinite. As such, we find that the claims are not indefinite.

Claims 1-14 rejected under 35 U.S.C. § 103(a) as unpatentable over Remington and Brown

We find the Appellant's second contention to be determinative. The Appellant contends that (2) Remington and Brown fail to describe an account maintained by any other organization analogous to the client

1 account maintained separate from the firm in which deposits are made or
2 that is funded to have a positive balance (App. Br. 16). We agree with the
3 Appellant. Limitation [2] of claim 1 requires that an account, initially
4 funded by the client, be maintained by an organization on behalf of a client.
5 Limitation [3] further requires that once funds have been deducted from the
6 managed account, the organization bills a law firm for the amount deducted.
7 Limitation [4] requires that the law firm generate an invoice for payment for
8 the amount deducted and submit the invoice to the client. Limitation [5]
9 requires that once payment from the client is received, the account is
10 replenished by the payment. That is, of the three parties (a client, a law firm,
11 and an organization), the organization manages the account. Remington
12 describes a system where a consumer directly pays a biller for products or
13 services rendered (FF 03). Brown describes a system where buyers and
14 sellers have electronically connected ledgers such that transactions between
15 the buyer and seller are automatically captured in the ledgers (FF 05). Both
16 Remington and Brown fail to describe an account managed by an
17 organization that is separate from the law firm. As such, Remington and
18 Brown specifically fail to describe limitation [2] of claim 1.

19
20 *Claims 15-16 rejected under 35 U.S.C. § 103(a) as unpatentable over*
21 *Remington, Brown, and Egendorf*

22 The Appellant contends that Egendorf fails to cure the deficiencies of
23 Remington and Brown with respect to claim 1 (App. Br. 17). We agree with
24 the Appellant. Egendorf describes a transaction between a customer, a
25 vendor, and a provider, where the vendor delivers the product to the

customer and the provider bills the customer (FF 07). However, Egendorf fails to describe an account managed by an organization that is separate from the law firm. As such, Remington, Brown, and Egendorf fail to describe claims 15-16.

CONCLUSIONS OF LAW

The Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 1-16 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

The Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 1-16 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter the Appellant regards as the invention.

The Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 1-14 under 35 U.S.C. § 103(a) as unpatentable over Remington and Brown.

The Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 15-16 under 35 U.S.C. § 103(a) as unpatentable over Remington, Brown, and Egendorf.

DECISION

To summarize, our decision is as follows.

- The rejection of claims 1-16 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement is not sustained.
- The rejection of claims 1-16 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter the Appellant regards as the invention is not sustained.
- The rejection of claims 1-14 under 35 U.S.C. § 103(a) as unpatentable over Remington and Brown is not sustained.
- The rejection of claims 15-16 under 35 U.S.C. § 103(a) as unpatentable over Remington, Brown, and Egendorf is not sustained.

REVERSED

mev

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